GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:871
ANSWERED ON:04.03.2005
MAHARASHTRA`S PROPOSAL FOR RAISING BONDS
Gaikwad Shri Eknath Mahadeo

Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Maharashtra had lately sought Central Government`s approval to raise Rs. 5,492 crore through bonds, to fulfill its plan and non-plan obligation for 2004-05;

(b) if so, whether but for want of such approval the State had been compelled to curtail the obligatory plan and non-plan expenditure, including the social obligations for education health and social justice;

(c) if so, the reasons for the delay in approval;

(d) whether similar permission to raise funds by floating of bonds was sought this year by different other State Governments;

(e) if so, the details thereof indicating the extent of deficit faced by them; and

(f) the Central Government`s response thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): As per the communication received on 15.02.2005, the State Government of Maharashtra has sought approval for Rs.3400 crores through bonds.

(b) & (c): The proceeds of these bonds are meant for specific plan expenditure only.

(d) to (f): The State of Himachal Pradesh also requested for consent of Government of India for bonds to the tune of Rs.1195 crores during this year. Fiscal deficit of the State in 2003-04(RE) was Rs.2272.70 crores. Consent of Government of India was agreed to for Rs.700 crores only.